RAJYA SABHA

Tuesday, the 23rd August, 1988/ 1st Bhadra, 1910 (Saka)

The House met at eleven of the clock, **The Deputy Chairman** in the Chair.

ORAL ANSWERS TO QUESTIONS

Term Loans for Cooperative Spinning Mills

*361. SHRI SURESH KALMADI: Will the Minister of TEXTILES be pleased to state:

(a) whether the Maharashtra Govt. has requested the Central Govt. to extend the validity period of 'Carry on Business Licences' with regard to the cooperative spinning mills in the State;

(b) whether the Maharashtra State Cooperative Spinning Mills Federation has requested for term loans for these mills: and

(c) if so, what are the reasons for the delay in clearing these proposals?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) Yes, Sir. The 'Carry-on-Business' licences of the 11 co-operative spinning mills in Maharashtra which were recommended by the State Government have been revalidated.

(b) Yes, Sir.

(c) These units had applied for conversion of their 'Carry-on-Business' licences into licences under the 100 per cent Export Oriented Unit Scheme, which has not been agreed to. The Maharashtra State Cooperative Spinning Mills Federation and the State Government of Maharashtra have been advised to implement the Carry-on-Business licences.

SHRI SURESH KALMADI: Madam, there were eleven cooperative spinning mills construction of which has been jeopardized due to the attitude of the Central financial institutions. in Maharashtra, as you are aware, the State Government has given these eleven cooperative mills over Rs. 30 crores and members of the cooperative mills have raised the share capital. Thus huge amounts have already been pumped into these spinning mills and yet unfortunately they are not coming up because of the attitude of IDBI, IFCI, etc. Government of India has been very good. The Ministry of Textiles has just revalidated the 'carry-on-business licences' for which we thank them. But this is not enough unless it is coupled by your recommendation to the financial institutions. Even your recommendation will not do. You should issue a directive to the financial institutions to help them; otherwise, this money, already invested to the tune of Rs. 40 crores is just lying idle and just getting revalidation of the licence is not going to help. I would like to know what steps the Ministry of Textiles has taken to provide financial assistance to these eleven cooperative spinning mills.

SHRI RAM NIWAS MIRDHA: The Textile Ministry has, as the honourable Member has himself observed, extended the 'carry-on-business licences' for these cooperative mills in view of the fact that construction work of a large number of them has been undertaken and a lot of money has been spent and share capital has been raised and we in the Ministry of Textiles feel that these mills should come up. Now the matter is pending with the financial institutions who have their own criterion for judging the viability of any industrial establishment. If the cooperative mills who want assistance from IDBI and other financial institutions convince those bodies with whatever facts and figures and arguments they need, I am sure the financial institutions will favourably consider them.

SHRI SURESH KALMADI: In your letter which you wrote to the Members of Parliament of the other House you said you assured the State Government that the Ministry would recommend these cases to the financial institutions for favourable consideration. I really hope that you are following this up because the present Finance Minister was the Chief Minister of Maharashtra. And he is present here again. I am sure if this case is again put up now before this Finance Minister, the cooperative spinning mills will not get a raw deal and the finances would be easily available. In 1986-87 Government of India had laid emphasis on export of cotton and cotton yarn. At that time the proposal was sent as 'export-oriented mills' etc. But you had advised the State Government not to wait for that thing to happen but to ask for the normal 'carry-on-business licence'. Now that you have already revalidated them, would you think that we should pursue the export-oriented unit angle so that we are a little bit eligible for more financial help from the financial institutons?

SHRI RAM NIWAS MIRDHA: At one stage these mills had applied that they be converted into hundred per cent export-oriented units. It is probably with the intention of getting easier finance from the financial institutions. But the exports that we have of the 100 per cent export-oriented units in the yarn sector does not convince us that these units can be run as 100 per cent export-oriented units, firstly, because there is a lot of quota restrictions for the export of yarn to the European Economic Community and to the USA which are very good markets and, secondly, we have ourselves fixed quotas for exports to protect the handloom and the powerloom sectors. It means that in view of the two restrictions—one is the quota restriction and the other restriction is as to how much yarn you will be able to export in a particular year—we thought that these mills would not be able to work as efficiently or as profitably as we would like or as others. That is why we have considered the extension of the COB licences for these mills which are under the consideration of the financial institutions.

SHRI SURESH KALMADI: Have you spoken to the Finance Minister lately?

THE DEPUTY CHAIRMAN: Yes. Mr. Promod Mahajan.

SHRI SURESH KALMADI: Madam, I want to know whether he has spoken to the Finance Minister lately. I think he is answering the question. Kindly allow him.

THE DEPUTY CHAIRMAN: Mr. Minister, are you answering the question?

SHRI RAM NIWAS MIRDHA: Madam, the honourable Member's voice is louder than mine.

THE DEPUTY CHAIRMAN: Mr. Pramod Mahajan.

श्री प्रमोद महाजन : उपसभापति महोदया, बहुत लम्बे समय से कपास उत्पादक क्षेत्र में ये सहकारी कताई मिलें चल रही हैं। क्या वस्त्र उद्योग मंत्रालय के द्वारा जब यह आवेदन पत्र प्राप्त हुआ है उस पर विचार करके वित्त मंत्रालय के पास महाराष्ट्र की जो यह मांग है वह उचित जोर के साथ रख दी जाएगी जिसके कारण वित्तीय संस्थान उनकी मदद करें और उसमें वस्त्र उद्योग मंत्रालय की नीति क्या होगी ? इसमें मंत्रालय ने अभी तक क्या किया है और आगे किस प्रकार मदद करने की संभावना है ।

श्री राम निवास मिर्धा : वस्त्र मंत्रालय ने यह उचित समझा है कि ये मिलें लगनी चाहिएं ।

माननीय सदस्या : उचित जोर की बात है ।

श्री राम निवास मिर्धा : हमारे मंत्रालय का दायित्व इस हद तक है कि यह तय करें कि ये मिलें लगनी चाहिएं, देश की आवश्यकताओं को देखते

हुए । जैसा मैंने पहले प्रश्न के उत्तर में बताया कि जो हमारे वित्तीय संस्थान हैं वे अपने तरीके से कुछ सिद्धांतों के आधार पर इन प्रतिवेदनों को देखते हैं। इसलिये जोर से कहना या कमजोर से कहने का कोई मतलब नहीं है । हर मंत्रालय का अपना दायित्व है हमने अपना कर्त्तव्य पूरा कर दिया ।

THE DEPUTY CHAIRMAN: Now, Mr. Vithalrao Madhavrao Jadhav.

SHRI VITHALRAO MADHAVRAO JADHAV: Madam, in the matter of setting up of these eleven co-operative spinning mills in Maharashtra, the Government of India had taken a decision that no spinning mill should be financed in future in view of the fact that the Central financial institutions like the IDBI, IFCI, etc. have refused to help the eleven mills under construction in Maharashtra. These eleven co-operative spinning mills under erection on heavy investment by the State Government amounting to Rs. 30 crores towards the share capital besides a collection of Rs. 6 crores are located in the backward cotton-growing areas like Marathwada, Vidarbha and Khandesh. Madam, in 1986-87 one of the Lok Sabha Members, Mr. Kuchan, had correspondence with the Textile Minister and in his letter to Mr. Kuchan the honourable Minister had said on 15-4-88 that the COB licences for these mills are not to wait for getting export-oriented unit licences and the said letter of the Union Minister of Textiles has been sent to the Government of Maharashtra also.

THE DEPUTY CHAIRMAN: Please put your supplementary.

SHRI VITHALRAO MADHAVRAO JADHAV: This is the supplementary and this is more concerned with this business. The Government has accordingly been approached by the State Government vide its letter No. SPM/1187/5105/13/87 date 16th June 1988 to extend the validity period of the COB licences of these mills. So, after the release of the term loans by the Central financial institutions, some of these mills can go into production during the current year itself. The State Federation has accordingly sent telegrams for the term loan by the IDBI in respect of these co-operative spinning mills. So I would ask the hon. Minister what efforts the Ministry has made to make available finance to these cooperative spinning mills where Rs. 36 crore capital has been invested already, so that these mills go into production.

श्री राम निवास मिर्धा : बहुत स्पष्ट रूप से हमारे मंत्रालय ने यह स्पष्ट किया है कि इन मिलों को लायसेंस दिया जाये। लेकिन वित्तीय संस्थान अपने साधनों और अपने दायरे में विचार करते हैं । मेरा विचार है और ऐसी आशा है कि ये जो सोसाइटी हैं वे उनको अपने तर्कों से, अपने तथ्यों और आंकड़ों से कंविन्स कर पाएंगी कि ये वाअबल प्रोपोजिशन्स हैं ताकि उनको वित्तीय सहायता मिल सके।

SHRI VITHALRAO MADHAVRAO JADHAV: Will the finance be made available? That is my question.

SHRI RAM NIWAS MIRDHA: This is not the concern of the Ministry of Textiles. (*Interruptions*).

DR. YELAMANCHILI SIVAJI: Some States like Andhra Pradesh are in need of several spinning mills in the cotton growing areas. What is the policy of the Government in the matter of issuing new licences? Are they exclusively meant for the cooperative sector or joint sector or the private sector? What is the policy decision of the Government?

SHRI RAM NIWAS MIRDHA: Madam, there is no general policy as such. There is a lot of criteria to go by. There is the locational consideration, there is the consideration of viability, export, and so on. There are many things to be seen before we take action.

SHRI SANTOSH BAGRODIA: We are very much concerned about financ-

ing these cooperative mills. This is very true. But it also appears to me that the Finance Ministry or the institutions which finance are not satisfied with the performance of cooperative spinning mills in general. I would like to know, what steps does the Government propose to take in the Textile Ministry to improve the productivity of these cooperative mills so that in comparison to the private sector in the State or in the country the financial instituions can decide to finance those units. Also, does the National Textile Corporation have any special relationship with these mills so as to encourage the cooperative sector?

SHRI RAM NIWAS MIRDHA: Madam, I am not in a position to accept the contention of the hon. Member that all cooperative mills are inefficient compared to the private sector. It is not correct. Some private mills are deplorably run and they become sick. About the other part, I have already answered.

SHRI MOTURU HANUMANTHA RAO: I want to know from the hon. Minister whether he is aware that even elsewhere, besides Maharashtra, many of the textile mills are in doldrums because of shortage of funds or financial help from the Corporation. In particular, I want to draw the attention of the hon. Minister to what is happening to Warangal...

THE DEPUTY CHAIRMAN: This quesion is about cooperative spinning mills. This is outsde the purview of this question. Mr Pugalia.

श्री नरेश सी० पुगलिया : उपसभापति महोदया, यह सवाल 11 कोआपरेटिव स्पिनिंग मिलों के विषय में है और इस बारे में माननीय मंत्री महोदय से महाराष्ट्र के संसद सदस्यों की दो बार चर्चा भी हुई है । उस चर्चा में उन्होंने अपनी दिक्कतें बताई थीं और कहा था कि प्लानिंग कमीशन का सातवीं पंचवर्षीय योजना का जो टारगेट है वह एक्सीड होने की वजह से हम 11 स्पिनिंग मिलों को फाइनेंस नहीं कर सकते । इसलिए मैं स्पेसिफिकली मंत्री महोदय से यह जानना चाहूंगा कि आपने प्लानिंग कमीशन की क्लीयरेन्स के संबंध में संसद सदस्यों से जो वायदा किया था कि इन 11 स्पिनिंग मिलों के विषय में प्लानिंग कमीशन से मंजूरी के लिए कहा जाएगा, उसका क्या हुआ और फाइनेंस की आज पोजीशन क्या है ? इन विषयों के संबंध में मंत्री महोदय जानकारी देने की कृपा करें ।

श्री राम निवास मिर्धा : मुझे वही पुरानी बात दोहरानी पड़ेगी जो अभी कहता रहा हूं । हमारे मंत्रालय ने कहा कि इनको लायसेंस मिलना चाहिए और काम पर लगाना चाहिए । हमने अपना कर्त्तव्य पूरा कर दिया है ।

श्री नरेश सी० पुगलिया : उपसभापति महोदया, प्लानिंग मिनिस्ट्री ने अभी मंजूरी दी है या नहीं दी है । जब तक मंजूरी नहीं देंगे तब तक फाइनेंस का सवाल कहां आता है **(व्यवधान)** उस में 36 करोड़ रुपया किसानों का लगा हुआ है इस लिए मंत्री महोदय इस बात को सीरियसली लेंगे । खास करके फाइनेंस मिनिस्टर महाराष्ट्र से होने की वजह से उनसे विनती है कि वे प्लानिंग मिनिस्ट्री से यह चेंज करा लें । हमें इस बारे में पोजिटिव रिप्लाई चाहिये कि इसमें मंजूरी मिलने वाली है या नहीं ?

श्री विट्ठलराव माधवराव जाधव : उपसभापति महोदया, योजना मंत्री और वित्त मंत्री दोनों यहां पर बैठे हैं। यह जरा बता देते बहुत अच्छा होगा । यह महाराष्ट्र का बहुत अहम मसला है । **(व्यवधान)**

श्री नरेश सी० पुगलिया : उपसभापति महोदया, हमें आप का प्रोटेक्शन चाहिए । आप भी महाराष्ट्र से आती हैं । आपको इस बारे में मिनिस्ट्री को डायरेक्शन देना चाहिये ।

THE DEPUTY CHAIRMAN: The hon. Minister may exert his good offices with the Minister of Finance.

DR. BAPU KALDATE: Why can't he sit near him and decide now?

THE DEPUTY CHAIRMAN: Next Question.